

Environment Committee

For the Metropolitan Council meeting of October 10, 2018

Subject: Intergovernmental Agreements with the Cities of Loretto, Independence, and Medina

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute intergovernmental agreements with the Cities of Loretto, Independence, and Medina to provide wastewater service to the City of Loretto.

Summary of Committee Discussion/Questions

Committee Member Letofsky asked what caused the City of Loretto's wastewater system to not meet their permit requirement. Staff stated the Minnesota Pollution Control Agency in its reissuance of the City's treatment plant discharge permit, placed a limit on phosphorous which made it technically and economically challenging to meet the new limit. Therefore, they requested service through the regional system.

Committee Member Letofsky asked if the water was flowing into Lake Independence? Staff stated that the treatment plants discharge does go to Lake Independence via two upstream lakes, and that Lake Independence has been identified as an impaired water for phosphorous which was the basis for the more stringent discharge limit on the new permit.

Committee Member McCarthy inquired if the agreements are in line with what we have done in the past with other cities in similar situations. Staff stated that it was somewhat unique but similar in how the Council has accommodated other communities facing challenging treatment standards and allowing connection to the regional wastewater system. It is also consistent with past projects where we use interim improvements to provide service, to delay large, costly, capital projects until such a time that they are needed. The Council also routinely enters into cooperative construction agreements when local communities are in a better situation to initiate local projects and the Council can add regional improvements to their projects.

Staff clarification after meeting: Similar agreements covering operational and maintenance costs for regional use of local wastewater systems have been used in the past. During the 1980's the Metropolitan Council (MWCC) reimbursed Plymouth for the use of a city sewer pipe to serve Medina for an interim period of time. Medina had phased out their wastewater treatment facility and the only available service option was through Plymouth until the Elm Creek interceptor was constructed in the 1990's after which Medina reconnected to it. MCES currently has an agreement with the City of Bloomington to reimburse the City to operate and maintain the Council's L55 facility.

Committee Member McCarthy asked about the \$4.5 million interim improvement cost and the long-term improvement project cost of \$40 to \$50 million, and why is the long-term project so much. Staff explained that the long-term project would consist of a new pipe line between MCES L63 and the City of Loretto. This project would also consist of two regional lift stations and related force mains and in essence represent a replacement of the entire existing local system. However, portions of the interim improvements covered under the \$4.5 million project would be utilized under the long-term projects, such as the two-meter stations, the section of new pipe south of the park, and the improvements to L63.

Environment Committee

Meeting date: September 25, 2018

For the Metropolitan Council meeting of October 10, 2018

Subject: Intergovernmental Agreements with the Cities of Loretto, Independence, and Medina

District(s), Member(s): District 1, Katie Rodriguez

Policy/Legal Reference: Minnesota State Statute 437.504 and 473.59

Staff Prepared/Presented: Karen Keenan, 651-602-4561

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute intergovernmental agreements with the Cities of Loretto, Independence, and Medina to provide wastewater service to the City of Loretto.

Background

The Minnesota Pollution Control Agency has issued notice to the City of Loretto with the requirement to cease wastewater treatment plant discharge and to connect to the regional system by December 31, 2020. It is expected this area will experience moderate growth over the next 20 years. For that reason, the Metropolitan Council has determined that service can best be provided by contracting with the Cities of Medina and Independence to perform this service as an independent contractor. Long term projections show the potential for significant growth. At that time, a future regional system will be in place to serve this area.

As part of this project, the Metropolitan Council will enter into three intergovernmental agreements. The first two will be with the Cities of Independence and Medina for reimbursement to operate and maintain portions of their wastewater systems that convey the City of Loretto's flow. The third agreement will be with the City of Loretto to install meter facilities and to set aside land for future Metropolitan Council facilities. By working with the multiple agencies, the Metropolitan Council can defer significant infrastructure costs until such time that higher flows create the need for new facilities.

Rationale

Intergovernmental agreements with an agency exceeding \$500,000 require Metropolitan Council authorization.

Thrive Lens Analysis

The action advances the Thrive Outcome of Stewardship, Prosperity, and Sustainability and the Thrive Principles of Integration and Collaboration.

Funding

Project 808100 is included in the 2018 MCES Authorized Capital Program

Currently Authorized: \$5,000,000

Unencumbered Funds: \$4,680,000

Requested Amount: \$4,500,000

Known Support / Opposition

The Cities of Loretto, Independence, and Medina are supportive of this project.